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C O R R E C T E D C O P Y (ADDED SUBJECT TAG)

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SUBJECT: DOS SANTOS'S CHINA VISIT DEMONSTRATES STRONG BILATERAL TIES

11. SUMMARY: President Jose Eduardo dos Santos' December 16-19 visit to China aimed to strengthen formal ties between the two states, focusing on aviation, business, and technical cooperation. The ministerial delegation accompanying Dos Santos concluded accords in those areas, while Dos Santos personally reached out to business leaders for further investment and the Chinese ExIm Bank for additional credit. From the Chinese perspective, the visit appears to have been more about form than substance. Further analysis with the Angolan perspective will be reported septel. END SUMMARY.

Pomp and Circumstance

12. President Dos Santos met with the highest levels of the Chinese government during his December 16-19 visit to Beijing. In addition to meeting President Hu Jintao, Dos Santos met Premier Wen Jiabao and the leader of the Chinese National People's Congress, Wu Bangguo. Chinese ExImBank President Li Ruogu stated after his meeting with Dos Santos that current Chinese projects in Angola are running well. Li affirmed his institution's intention to continue underwriting Chinese investment in Angola, but did not specify loan amounts, in addition to the current USD5 billion line of credit. Dos Santos also met with business leaders including Fan Jixiang, president of Sinohydro, which has upwards of 70 projects in Angola; Zhi Yulin, vice president of Norinco, an industrial services firm; and Chan Yushang, president of CRBC, a road construction firm.

Bilateral Accords Signed

13. On the margins of the President's visit, Angola's ministers of Transportation, Foreign Affairs, and Finance and signed accords with their Chinese counterparts related to civil aviation, economic and technical cooperation, and cultural exchanges. While China's Minister of Civil Aviation, Li Jiaying, announced that Air China would offer seven flights weekly between Angola and China in 2009, the Chinese embassy in Angola said the aviation accord only affirmed the parties' intention to move forward with direct flights, and that official authorization could take some time.

14. Apart from deal-making, the President's trip was educational and cultural in nature, exposing Dos Santos and his delegation to Chinese ideas about governance and economic development. Dos Santos visited Beijing's municipal planning offices and a museum on development in China. On December 20, the state-owned daily Jornal de Angola featured stories on the economic and social "miracle" that is Chinese reform and development.

15. Comment: Dos Santos's visit to China offered an opportunity for both countries to demonstrate and celebrate a mutually beneficial bilateral relationship built around oil and developmental economics. Despite some grumblings earlier in the year from senior GRA officials concerning Angola's overdependence on Chinese development loans, the optics of the President's visit seem to indicate that business will continue as usual. End Comment.

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